

THE MENU

DRIVES YOUR BUSINESS



OVERVIEW

Expenses = Income

- This is the break even point and it is the goal.

Menu Income and Expense Driven by:

- Type of service and therefore type of food
- Source of food and expenses
- Student Acceptance/Participation

Expenses Total:

- Food + Labor + Supplies + Equipment
+ Indirects

Income Total:

- Reimbursement, paid meals, ala carte,
catering, outside sales

Steps to use to evaluate menu

- Identify Cost
- Create Accessible & Comparable Reports
- Analyze & Adjust Menu

PER-MEAL COSTING

Average Per Meal Income

- % free, reduced, paid of total meals served
- % of each level x (meal reimbursement at that level + paid meal at that level)
- Add all three levels then \div by 3

OR

- Total Income \div Total Meal Equivalents
(better use with large numbers of a la carte and non-lunch meals)

Theoretical Cost Per Meal

- Cost of each recipe offered = cost of each ingredient in portion needed

Actual Cost Per Meal

- Total cost of all prepared ingredients \div
total meals served

(This number will account for over-preparations, leftovers, waste, and changed pricing)

- Compare food costs by food category
(entree, fruit, veggie, milk, other)
- Cost each recipe, graph the cost of each recipe, find the median cost range
- Compare the average actual cost per meal to the average per meal income





METRICS THAT MATTER

Meals/Labor Hour

- Total Meals and Equivalents for period \div total paid labor hours for same period
- Can be done by district or by school, and any time range for consistent comparison

% of Expense

- Expenses for a category (food, labor, equipment, etc.) \div total expense
- Can be done by district or by school for consistent comparison

Meal Equivalent = 1 reimbursable lunch

- 1 reimbursable lunch = 1 supper or 3 snacks or 2 breakfasts or \$3.00 a la carte sales
- Total Meals = all lunch meals + all supper meals + meal equivalents

Menu Optimization

- Compare the popularity and profitability of each meal to another meal in the range
- # of a specific meal \div total # meals = popularity %
- Price of specific meal \div average per meal income = profitability %
- Rank all the menu items in order of popularity and profitability

ICN RESOURCES

(Click the titles below to open resource page)

- **Financial Management for Managers**
- **Key Performance Indicators, Meals per Labor Hour, Meal Equivalents Spreadsheets, and Calculator**



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